



Executive Committee
Thursday, May 20, 2004
8:30 a.m.

Institute for Advanced Learning and Research
Danville, Virginia

APPEARANCES

The Honorable Charles R. Hawkins, Chairman
The Honorable Terry G. Kilgore, Vice-Chairman
Mr. C. D. Bryant
The Honorable Cathy J. Byron
The Honorable Allen W. Dudley
The Honorable Joseph P. Johnson
The Honorable Philip P. Puckett
The Honorable Frank M. Ruff
The Honorable William C. Wampler, Jr.
The Honorable Gary D. Walker

Commission Staff

Carthan F. Currin, III
Executive Director

Mr. Ned Stephenson
Manager of Strategic Investments

Mr. Timothy J. Pfohl
Grants Program Administration Manager

1 Ms. Stephanie Wass
2 Director of Finance

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4 Attorney General's Office

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6 Mr. Frank Ferguson
7 Senior Assistant Attorney General

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10 May 20, 2004

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13 SENATOR HAWKINS: Good morning, Carthan, would
14 you call the role?

15 MR. CURRIN: Mr. Bryant?

16 MR. BRYANT: Here.

17 MR. CURRIN: Delegate Byron?

18 DELEGATE BYRON: (No response)

19 MR. CURRIN: Delegate Dudley?

20 DELEGATE DUDLEY: Here.

21 MR. CURRIN: Delegate Johnson?

22 DELEGATE JOHNSON: Here.

23 MR. CURRIN: Senator Puckett?

24 SENATOR PUCKETT: Here.

25 MR. CURRIN: Senator Ruff?

26 SENATOR RUFF: Here.

27 MR. CURRIN: Secretary Schewel?

28 SECRETARY SCHEWEL: (No response)

29 MR. CURRIN: Mr. Walker?

30 MR. WALKER: Here.

31 MR. CURRIN: Senator Wampler?

32 SENATOR WAMPLER: Here.

33 MR. CURRIN: Mr. Vice Chairman?

34 DELEGATE KILGORE: Here.

35 MR. CURRIN: Mr. Chairman?

36 SENATOR HAWKINS: Here. We need to go over a
37 couple of things prior to the meeting. I think the one thing we need to
38 discuss is this budget piece since we didn't have time to go into much

1 detail before this. Carthan, would you make a report?

2 MR. CURRIN: Mr. Chairman, first of all I'd like to
3 express our appreciation to the City and the County, all those involved
4 in putting on the reception last night, it was a great reception and we
5 appreciated it. It's also a delight to be here in Danville and at the
6 Institute. We're glad to be a participant in this beautiful building.

7 Mr. Chairman and members of the Committee, Steve
8 Rosenthal and Clark Lewis will be here later and they are going to
9 provide the Commission an update on the indemnification payments.
10 In addition, Alisa Bailey who is President of Virginia Tourism
11 Corporation will make a presentation to the Commission on tourism
12 opportunities, potential strategies for both regions.

13 DELEGATE KILGORE: Carthan, are they going to be
14 addressing and this came up at the Southwest Economic Development
15 Committee meeting, we had lots of requests for marketing and if we
16 could ask them to look at during this presentation, look at some of
17 these marketing tools to help us with tourism because we had a lot of
18 people asking us for the same marketing piece and we thought we'd
19 get a better bang for the dollar if they were all together.

20 MR. CURRIN: Yes, sir, she will address that. Several
21 months ago this Commission staff and the tourism staff participated in
22 a day and a half retreat and got together and talked about Southwest
23 and the same thing for Southside. Ms. Bailey is going to present that
24 and marketing is the key issue.

25 SENATOR WAMPLER: I'll do this in 30 seconds or
26 less, I'm not sure that the state has the answers for marketing of our
27 region. I think it's important for them to be involved in the process
28 but there's a lot of frustration connected with the degree of support
29 from the state. It's important to have us all working together and
30 come up with ways to meet the challenge of the two regions. We've
31 got some unique challenges in these two regions.

32 SENATOR HAWKINS: I think that point is well taken.
33 I think at sometime at your leisure it may be good for us to take a look
34 at the inventory, the attractions we have in both regions and work out
35 some sort of understanding of how the flow goes and what we can do
36 to promote trails in areas and museums. For instance, the dedication
37 of the World War II Memorial in DC. We've got the Bedford D Day
38 and we have Appomattox and we got the museum we were in last

1 night. We got some other sites we could tie up and many things in
2 Southwest Virginia are potential opportunities. We need to look for a
3 list or I don't think we have a complete list of what we really have.

4 MR. CURRIN: That's correct Mr. Chairman. I
5 appreciate that, we're going to work on that and we got some different
6 attractions in each area but just as important.

7 SENATOR HAWKINS: We've got the races as a real
8 attraction and we need to emphasize that.

9 MR. CURRIN: We're going to work on that and we
10 have been Mr. Chairman and you'll hear more from us later on on
11 that. As I say, Lisa Bailey, I think you'll be very impressed with her
12 presentation. Mr. Chairman, moving on, the Education, Agribusiness,
13 Citizens, Southside and Southwest Economic Development reports on
14 recent meetings and some of their recommendations today. I'd like to
15 take the opportunity to review the recommendations of those
16 Committees. The Education Committee's recommendation is before
17 you. There are four projects totaling \$567,500. Cumberland County,
18 Old Dominion University, Patrick Henry Community College and the
19 Virginia Department of Education leaving that Committee a current
20 balance prior to voting on the budget today \$39,819.

21 The Southside Economic Development Committee 35
22 applications reviewed by staff, submitted 15 localities. \$14,704,000 is
23 available for localities. Twenty applications have been submitted and
24 recommendations totaling \$8,660,000.

25 Southwest 43 applications submitted, total of \$11 million
26 dollars, \$3,500,000 is available and I know the Committee met this
27 morning to address some other issues.

28 DELEGATE KILGORE: That figure didn't change that
29 much.

30 SENATOR HAWKINS: Southwest, any discussion on
31 the allocation money from the tobacco allocation?

32 DELEGATE KILGORE: I think that's included in the
33 budget.

34 MR. CURRIN: Yes.

35 DELEGATE KILGORE: 70/30.

36 MR. CURRIN: The Citizen's Committee has
37 recommended the Commission participate in a strategic planning
38 retreat and during this retreat the Commission can discuss planning

1 strategies and processes for reviewing, receiving and approving
2 proposals and specific topics. We planned to hold the meeting in
3 association with the Commission meeting of October 21 in the Town
4 of Clarksville in Mecklenburg County. As you know the Commission
5 staff has prepared a proposed future meeting schedule and this
6 schedule is an effort to increase operating efficiency and also to work
7 with the convenience of the Commission itself. Of course, dates are
8 not set in stone, however, it would be beneficial to stick to a schedule
9 and work within the proposed framework.

10 As a recap to review the proposed fiscal year '05 budget,
11 the Committee met on May 5 in Roanoke, Virginia and recommended
12 \$64.6 million dollars, which is before you. Ninety-seven percent of
13 the proposed budget goes toward programs. \$2.2 million is set aside
14 for administration purposes.

15 DELEGATE KILGORE: Is that in line with last year's
16 budget?

17 MR. CURRIN: Correct.

18 DELEGATE KILGORE: We didn't increase
19 administration?

20 MR. CURRIN: That's correct. Subsequent to your
21 approval of the budget, the General Assembly passed its budget and
22 included a 3% salary increase for state employees effective November
23 25th. The Commission employees are treated like classified state
24 employees are for purposes of benefits and salary increases.
25 Incremental costs including fringe benefits and this mid year increase
26 is approximately \$11,000. I'm proposing that this amount be added to
27 the administrative budget and taken from the \$225,000 surplus in the
28 current fiscal year '04 budget and transferred to the '05 budget.

29 Next is the five major priorities that come out of long-
30 range plan. A total of \$20 million will be allocated to
31 indemnification. \$13 million for flue cured and \$7 million for burley.
32 \$8.8 million will be dedicated for technology, telecommunication
33 projects. \$8.5 will be innovation, job creation, \$5.5 for TROF, deal
34 closings and \$3 million for special projects. \$8 million for education
35 projects, \$17 million will be a regional economic development
36 project, \$14 million for Southside and \$3 million for Southwest. This
37 pie chart shows the distribution for fiscal year '05.

38 Since January we've had a number of tobacco regional

1 opportunity fund awards. As you can see in the next slide, that's close
2 to two and a half million dollars. These projects have created
3 approximately 1,366 jobs bringing the investment to Southwest and
4 Southside a total of \$57 million dollars. Please take note of the motor
5 sports tobacco opportunity regional fund award, Henry County which
6 was granted a first award of 150,000 special projects allocation set
7 aside by the Commission at the October meeting, University of
8 Virginia College at Wise. This is also part of the Governor's General
9 Motor Sports Program as well.

10 TROF, as you can see, we have paid out \$3.2 million in
11 grants and made \$4.3 in commitments. We have \$2.2 million
12 uncommitted balance as of now.

13 The next meeting Mr. Chairman is scheduled to be July
14 22 in Southwest Virginia at Bristol. Thank you.

15 SENATOR HAWKINS: Thank you, any questions? Is
16 there any business to come before the Executive Committee?

17 SENATOR RUFF: Are we going to take any action on
18 the changes that are proposed in the budget that we voted for a couple
19 of weeks ago in Roanoke? We voted to set
20 certain amounts in certain categories but since that time, you have
21 proposed a change. It seems like to me to make a recommendation,
22 one recommendation rather than two.

23 DELEGATE KILGORE: Carthan, can you tell us what
24 the changes were?

25 MR. CURRIN: I think the major change outside of the
26 salary issue of \$11,000, that's pretty much in alignment with what we
27 discussed in Roanoke.

28 MR. STEPHENSON: The budget that is printed before
29 you is exactly as it was seen three weeks ago but there is a footnote
30 that appeared on that page since you met three weeks ago pertaining
31 to the state budget changes.

32 DELEGATE KILGORE: As far as the amount raised
33 and approved by the General Assembly?

34 MR. STEPHENSON: Yes.

35 MR. CURRIN: That figure of \$11,000, does not take
36 effect until the state budget on the same date.

37 DELEGATE KILGORE: Do I have a motion that we
38 approve the recommended budget, do we approve that and

1 recommend that budget to the full Commission?

2 DELEGATE JOHNSON: I so move.

3 SENATOR WAMPLER: Second.

4 DELEGATE KILGORE: All those in favor say aye
5 (ayes). The ayes have it.

6 SENATOR HAWKINS: I was unable to attend that
7 meeting in Roanoke but I thought it was best to carry it on through.
8 Senator Wampler.

9 SENATOR WAMPLER: Two items relative to
10 technology. I know we discussed this before. Southwest Virginia
11 would recommend that Bristol, Virginia Utility be released from its
12 commitment on the employment of infrastructure of high speed
13 internet in the Town of Independence. That the Town of
14 Independence then would apply for or provide a detailed plan with
15 what they propose to do to fund the deployment subject to a
16 technology review by the Commission so it's consistent. This is by
17 mutual agreement of all parties but I just wanted to make sure that the
18 Executive Committee was comfortable with that. I suggest you all
19 move through your regions in the deployment of broadband and make
20 sure you pay particular attention to those localities and make sure that
21 you have a network that can speak to each other in the same
22 technology. That's all.

23 SENATOR HAWKINS: That was the key discussion all
24 the way through the project to make sure that we could tie in all the
25 systems in Southside and Southwest. Is there a motion on that?

26 SENATOR WAMPLER: I just wanted to bring it up to
27 the attention of everybody so there's no objection. I just wanted to
28 make everyone aware of it.

29 SENATOR HAWKINS: We may need to touch base on
30 the deployment of the cable on 58, Southside as well. Carthan, what
31 do you know on that?

32 MR. CURRIN: What?

33 SENATOR HAWKINS: On the cable, are monies
34 allocated, is that announcement this week?

35 MR. CURRIN: Southside may be postponed but that
36 might be sometime in June. Southwest approximately half of theirs is
37 drawn down so the Southside announcement will be in June.

38 SENATOR HAWKINS: Has a date been set?

1 MR. PFOHL: June 18th.

2 MR. WALKER: What's that date?

3 SENATOR HAWKINS: June 18th is the date that there
4 will be an announcement on the funding for the broadband
5 connection. I see Delegate Hogan is here. Is everything in line? Is
6 everything online?

7 DELEGATE HOGAN: We're coming along nicely. I'm
8 not sure I follow Senator Wampler's comments about the project in
9 Independence. Is that part of what was approved last fall at
10 Longwood?

11 SENATOR HAWKINS: Is that part of the overall plan
12 that was approved in Farmville last year for Independence?

13 SENATOR WAMPLER: If the question is directed to
14 me I'll try to respond. We had one subcontractor Bristol, Virginia
15 Utilities to perform some preliminary engineering and design and
16 deployment along the three major pathways, deployment of the long
17 haul piece. Some of that was build out in the communities. The
18 Town of Independence, they have been the recipient of an
19 Appalachian Regional Commission Grant and other grants and it just
20 so happens that in the small Town of Independence one size fits all
21 answers. There was some preliminary engineering work that was
22 done to make a long story short. That's why we've asked for the
23 design phase to come back and submit to a review and make sure that
24 the network is adequate and properly designed and compatible and
25 we're doing that. I thought it was in the best interest of everyone to
26 amend it and hopefully that will answer your question.

27 SENATOR HAWKINS: Does that answer your
28 question? We got to make sure that this is compatible and we covered
29 the announcement. We want to have as many people participating in
30 the state and attending.

31 MR. CURRIN: We plan to offer some direction here.
32 We're working to that goal.

33 SENATOR HAWKINS: Any other comments? Anyone
34 from the public want to say anything?

35 MR. CURRIN: If I may, I'd like to introduce Sara
36 Griffith who is our new Southwest Virginia Grants Coordinator and
37 she'll be running our Southwest Virginia office. Then we have Mr.
38 Paul Puckett who will be serving as an intern this summer in that

1 office and we're pleased to have both of them here today.

2 SENATOR HAWKINS: All right, thank you. Anything
3 else to come before the Executive Committee? All right. Our full
4 Commission meeting is at 10:00 o'clock but during the time we have
5 here this morning, take a walk through this building because you all
6 built it. This is our future and it's something that we need to look at
7 and it's an amazing piece of property. Thank you.
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9 PROCEEDINGS CONCLUDED
10

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12 CERTIFICATE OF THE COURT REPORTER
13

14
15 I, Medford W. Howard, Registered Professional Reporter
16 and Notary Public for the State of Virginia at large, do hereby certify
17 that I was the court reporter who took down and transcribed the
18 proceedings of the Executive Committee meeting when held on
19 Thursday, May 20, 2004 at 8:30 a.m. at the Institute for Advanced
20 Learning and Research, Danville, Virginia.

21 I further certify this is a true and accurate transcript to the
22 best of my ability to hear and understand the proceedings.

23 Given under my hand this 24th day of May 2004.
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27 _____
28 Medford W. Howard

29 Registered Professional Reporter

30 Notary Public for the State of Virginia at Large

31 MY COMMISSION EXPIRES: October 31, 2006
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